



NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

Fiscal Analysis Memorandum

CONFIDENTIAL

Requestor: Senators Tillman, Hise, and Newton
Analyst(s): Jonathan Tart
RE: PCS to SB 578

SUMMARY TABLE

FISCAL IMPACT OF PCS 578, V.1 (\$ in millions)

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
State Impact					
General Fund Revenue	-	(110.6)	(289.3)	(301.6)	(314.4)
Less Expenditures	-	-	-	-	-
General Fund Impact	-	(110.6)	(289.3)	(301.6)	(314.4)
NET STATE IMPACT	-	(\$110.6)	(\$289.3)	(\$301.6)	(\$314.4)

FISCAL IMPACT SUMMARY

The PCS reduces the franchise tax rate from \$1.50/\$1,000 to \$1.29/\$1,000 effective for 2020 returns and to \$0.96/\$1000 effective for 2021 returns. The PCS also eliminates the 55% appraised value base, and keeps the \$1.50 tax rate for utilities until 2026.

FISCAL ANALYSIS

The fiscal impact was estimated based on the consensus revenue forecast, and based on statistics showing the number of filers and amount of tax collected by tax base.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

NC Department of Revenue

FISCAL ANALYSIS MEMORANDUM – PURPOSE AND LIMITATIONS

This document is a fiscal analysis of a bill, draft bill, amendment, committee substitute, or conference committee report that is confidential under Chapter 120 of the General Statutes. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts. This document is not an official fiscal note. If a formal fiscal note is requested, please email your request to the Fiscal Research Division at FiscalNoteRequests@ncleg.net or call (919) 733-4910.

